

## Consolidated Statement of Changes in Equity

ANNUAL REPORT 2006

for the years ended 31st December, 2006 and 2005

|  | Share<br>capital<br>HK\$ | Share<br>premium<br>HK\$ | Fair value<br>reserve<br>HK\$ | Share option<br>reserve<br>HK\$ | Proposed<br>dividend<br>HK\$ | Retained<br>profits/<br>(accumulated<br>losses)<br>HK\$ | Total<br>HK\$ |
|--|--------------------------|--------------------------|-------------------------------|---------------------------------|------------------------------|---|---------------|
| At 1st January, 2006   | 29,220,475               | 147,899,905              | (6,034,732)                   | -                               | 4,383,071                    | (5,809,313)   | 169,659,406   |
| Profit for the year  | -                        | -                        | -                             | -                               | -                            | 10,685,282  | 10,685,282    |
| Impairment loss on available-for-sale<br>financial assets recognised in income<br>statement                        | -                        | -                        | 5,980,000                     | -                               | -                            | -   | 5,980,000     |
| Transfer to income statement upon<br>disposal of available-for-sale financial<br>assets                            | -                        | -                        | 400,000                       | -                               | -                            | -   | 400,000       |
| Fair value changes on available-for-sale<br>financial assets recognised in equity                                  | -                        | -                        | 7,194,902                     | -                               | -                            | -   | 7,194,902     |
| Total recognised income for the year   | -                        | -                        | 13,574,902                    | -                               | -                            | 10,685,282  | 24,260,184    |
| Employee share option scheme – value of<br>employee services   | -                        | -                        | -                             | 908,000                         | -                            | -   | 908,000       |
| Proposed dividend transferred to current<br>liabilities upon approval of shareholders<br>at annual general meeting | -                        | -                        | -                             | -                               | (4,383,071)                  | -   | (4,383,071)   |
| Proposed dividend (Note 9)   | -                        | (4,383,071)              | -                             | -                               | 4,383,071                    | -   | -             |
|  | -                        | (4,383,071)              | -                             | 908,000                         | -                            | -   | (3,475,071)   |
| At 31st December, 2006   | 29,220,475               | 143,516,834              | 7,540,170                     | 908,000                         | 4,383,071                    | 4,875,969   | 190,444,519   |
| At 1st January, 2005   | 24,360,475               | 148,900,601              | (7,023,074)                   | -                               | 2,922,047                    | (27,370,669)  | 141,789,380   |
| Profit for the year  | -                        | -                        | -                             | -                               | -                            | 21,561,356  | 21,561,356    |
| Transfer to income statement upon<br>disposal of available-for-sale financial<br>assets                            | -                        | -                        | 855,543                       | -                               | -                            | -   | 855,543       |
| Fair value changes on available-for-sale<br>financial assets recognised in equity                                  | -                        | -                        | 132,799                       | -                               | -                            | -   | 132,799       |
| Total recognised income for the year   | -                        | -                        | 988,342                       | -                               | -                            | 21,561,356  | 22,549,698    |
| Issue of shares  | 4,860,000                | 3,645,000                | -                             | -                               | -                            | -   | 8,505,000     |
| Share issue expenses   | -                        | (262,625)                | -                             | -                               | -                            | -   | (262,625)     |
| Proposed dividend transferred to current<br>liabilities upon approval of shareholders<br>at annual general meeting | -                        | -                        | -                             | -                               | (2,922,047)                  | -   | (2,922,047)   |
| Proposed dividend (Note 9)   | -                        | (4,383,071)              | -                             | -                               | 4,383,071                    | -   | -             |
|  | 4,860,000                | (1,000,696)              | -                             | -                               | 1,461,024                    | -   | 5,320,328     |
| At 31st December, 2005   | 29,220,475               | 147,899,905              | (6,034,732)                   | -                               | 4,383,071                    | (5,809,313)   | 169,659,406   |